



A Coordinated Approach to Program Management
Part One: EAP/WAP/CIP Foundations

Michelle Gransee, John Harvanko, Jessica Burdette
May 19, 2016

A Coordinated Approach: In 3 Parts

Part 1:

EAP/WAP/CIP Program Foundations

Part 2:

National Best Practices for Effective Programs

Part 3:

Program Partnerships within A16 Proactive

A Coordinated Approach

- Welcome
- Agenda
 - Energy Assistance Program: John Harvanko
 - Weatherization Assistance Program: Michelle Gransee
 - Conservation Improvement Program: Jessica Burdette
 - Next Session Preview: David Carrol



Energy Assistance Program

May 19, 2016

John Harvanko

Agenda

1. EAP background & mission
 2. EAP BSM & Coordinated Responsibility Model
 3. EAP management methodology & communication
 4. Program service history & services
 5. EAP/WX transfer
 6. EAP & WAP coordination
 7. Ongoing EAP/WAP coordination
-

EAP Background

- LIHEAP is the name of the Federal grant authorizing energy assistance; called EAP in MN
 - LIHEAP is a federal block grant administered by the U.S. Dept. of Health and Human Services (DHHS)
 - EAP starts October 1
 - Small amount of start-up funds are issued to start program
 - HHS funds arrival is unpredictable - usually late October
 - Unpredictable timing of funding makes it hard to plan
 - Other programs funds are used when EAP is out of money (before and after)
-

EAP Mission

Improve low income Minnesota households' capacity to positively affect their well-being by meeting immediate home energy needs and reduce home energy needs

By

Maintaining affordable, continuous, and safe home energy for low-income Minnesota households

EAP Business Strategy Model

BSM

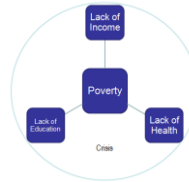


EAP Business Strategy Model

Updated Sept 2015 (update 1/2009 added State Offerings, created 9/24/2008)

Background

- LIHEAP statute provides two primary purposes; 1) to meet the immediate home energy needs of low-income households that pay a high portion of household income for home energy and 2) reduce home energy needs, and thus need for energy assistance
- LIHEAP's mission is part of the broader societal response to poverty.
 - Based on the human development, or capabilities approach, supported by the United Nations, poverty can be characterized in this way:
 - Households in poverty lack (in some or various way/s) the capability to positively affect their well-being
 - EAP uses this understanding to define people in poverty as those who lack of income, education and health, thus making individuals susceptible to crisis' that makes them unable to positively affect their well-being.



EAP Mission

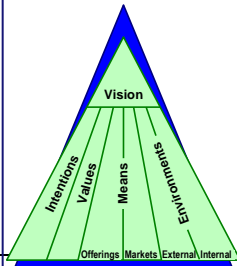
Improve low income Minnesota households' capacity to positively affect their well being by meeting immediate home energy needs and reduce home energy needs

The Business Strategy Model (BSM)

The Business Strategy Model (BSM) provides a shared vision. The shared vision ensures we are serving the same goals and are all working together. The BSM helps build a high-performing team, helps provide consistent messages to key stakeholders and guide day-to-day decisions and actions. The PAC and EAP staff's each have a BSM. They share intentions, values and markets and differ in the offerings. EAP BSM was replaced the EAP Effort Definition, which was originally created 2004.

Elements of a Complete Vision

The BSM creates a shared vision by defining key elements of the business. The pyramid model below illustrates the concept. The combination intentions, values, means and environments come together to create the vision:



Definitions of key elements of the business

Intentions	Why does your unit or organization exist?
Values	What guides the behavior of your organization?
Means	What products or services do we provide? To whom do we provide them?
Environments	What factors outside our organization must we monitor and adjust to? How should we organize ourselves to meet our intentions, within our values?

Coordinated Responsibility Model

- EAP employs a “**Coordinated Responsibility Model**”
 - Model assumes HHDs, vendors, & EAP have a role in assuring heat for low-income HHDs during the winter
 - **Program** responsible to provide heating payment supplements, case management and advocacy for households, and maintaining influence with vendors.
 - **Energy vendor** responsible to be as flexible as possible so energy payments leverage the highest possible level of service to the household.
 - **Household** responsible to make reasonable and planned payments for energy service, access government aid when necessary and communicate with vendors and government service providers.
-

EAP Management Methodology

EAP uses a shared management approach which enables a high performance work team. EAP management approach uses Business Needs Centric Development and the following techniques and sub-techniques:

- Joint Development
 - Incremental Development
 - Modeling
 - Internal Controls Framework
 - Project Management
-

Communication

- *The Energizer*

- All formal communications except for rare emergency

- Typically a weekly communication (Tuesday)

- Require Coordinator and staff attention

- Carries the weight of the Manual

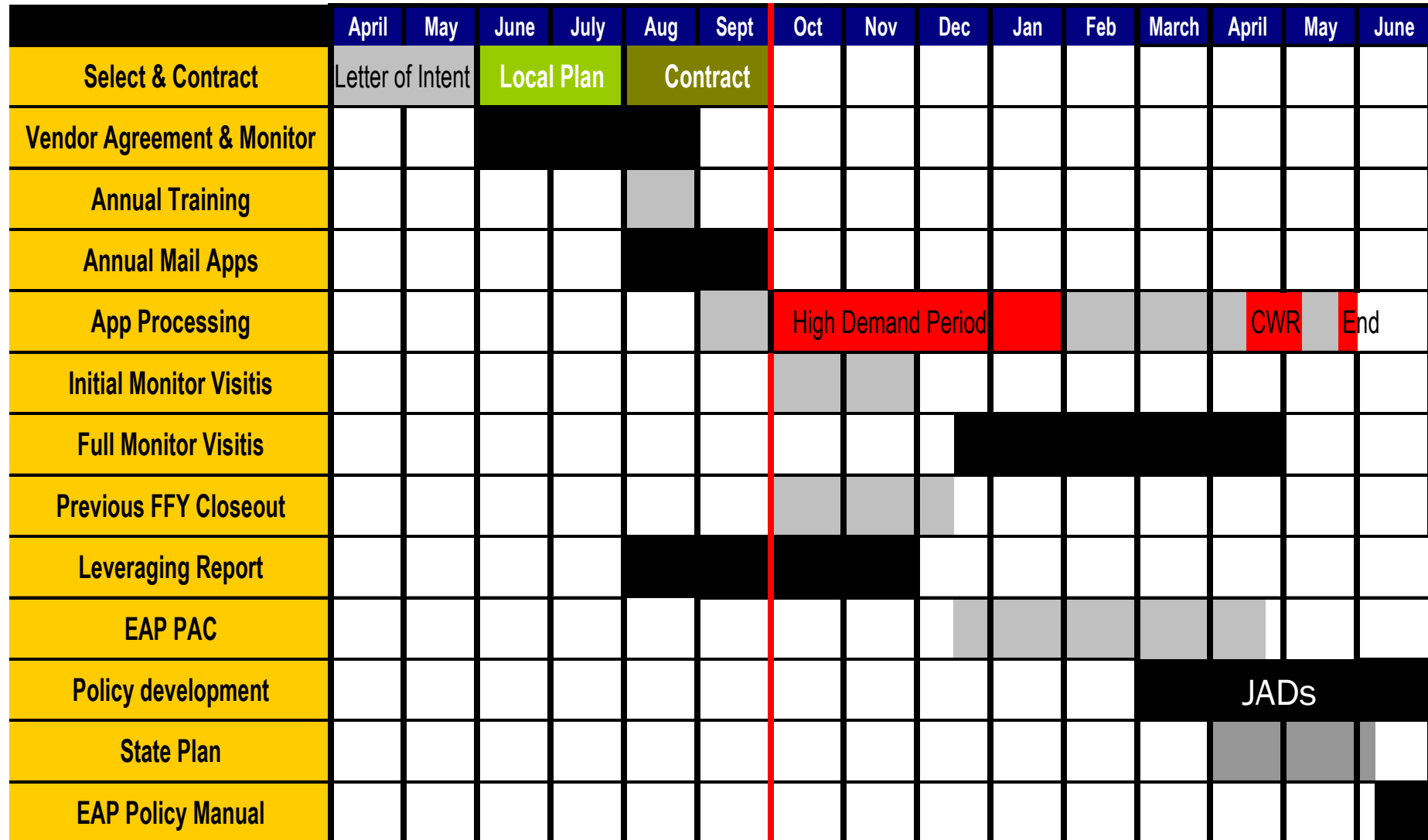
- *Spark*

- eap.mail@state.mn.us

- eHEAT.doc@state.mn.us

- EACA & MinnCAP Director meetings

- Rarely - other approaches



Service History

This table shows Minnesota's EAP funding amount, households served and grant averages for FFY2007 to FFY2016 (FFY is Oct. 1 to Sept. 30). The last column is the national LIHEAP funding amount for the same time period.

Federal Fiscal Year (Sept 1-Oct 30)	Number of Releases ¹	Minnesota Total Amount (Federal & State funds)	Total Served in Minnesota	Average Minnesota Primary Heat Grant Amount	Total Amount Nationally (in billions)
2016	2 ²	\$113,197,916	130,000 ³	\$500 ⁴	\$3.35 ⁵
2015	4	\$114,669,262	138,866	\$518	\$3.35
2014	3	\$134,970,880 ⁶	156,033	\$485	\$3.39
2013	2	\$109,334,525	147,636	\$494	\$3.26
2012	4	\$117,094,007	163,413	\$400	\$3.51
2011	7	\$152,559,213	172,065	\$503	\$4.71
2010	6	\$160,307,678	164,783	\$634	\$5.10
2009	3	\$164,221,521	153,721	\$493	\$5.10
2008	5	\$103,063,362 ⁷	126,218	\$516	\$2.57
2007	5	\$82,007,483	120,765	\$515	\$2.16

¹ A release is an occurrence of a transfer of funds from USDHHS to Minnesota EAP

² To date

³ Projected to date

⁴ Planned to date

⁵ To date

⁶ Includes \$20,000,000 in State funds

⁷ Includes \$1,000,000 in State funds

EAP Services

- **Primary Heat (PH)** provides grants to reduce energy burden and are paid to energy vendors on behalf of household
 - **Crisis** for households in no-heat or near no-heat situations
 - **Crisis** benefit is an additional grant for bill payments
 - **ERR** (Energy Related Repairs) for furnace repair/replacement
 - **Assurance 16** are funds to work directly with households
 - Conduct **outreach**
 - Develop & maintain network and make **referrals**
 - Conduct **advocacy** with energy **vendors** and others
 - Conduct **targeted projects** to impact HHD's energy security
 - **EAP/WX** transfer to Weatherization
 - 5% transfer at state level for mechanical work
-

Primary Heat (PH)

Intentions of PH benefit

- Grants to lower HHD energy burden
- Highest benefit to lowest income & highest energy costs

Context

- Grants range from \$100-\$1400 depending on family size, income & fuel consumption
 - Average grant target is \$500
 - **PH is used first** to address a HHD energy emergency
-

Crisis

Intentions of Crisis benefit

- To prevent life-threatening & no-heat situations in a timely manner by
 - Preventing shut-off
 - Reconnecting
 - Enabling delivery

Crisis benefit amount

- PH funds are first applied to HHD account - then Crisis funds if PH funds are insufficient to alleviate emergency
 - For connected utilities & delivered fuels: up to \$500 (FFY16 increased to \$1000)
 - For self-supplied biofuel: \$250 (FFY16 increased to \$500)
-

ERR (Energy Related Repair)

Intentions of ERR benefits

- To address hazardous & life threatening situations or cases where a home has no heat due to malfunctioning or nonfunctioning heating systems
- Response to ERR request must meet required timelines (within 24 hours or 18 hours if life-threatening)

Context

- For EAP-eligible homeowners, not renters
 - SP must have a written procurement policy
-

Assurance 16

Intentions of A16

- Encourage & enable HHDs to reduce home energy needs and, as a result, the need for EAP, including:
 - Enabling / assisting HHDs to be more self-sufficient in their energy use
 - Helping to develop HHD resilience, or flexibility, in the face of energy-related and other unexpected hardships
-

Assurance 16

A16 Development

- A16 historically was under-utilized by SPs
 - MinnCAP Directors asked for improvements
 - For 3 years developed A16 with PAC, EACA, at JADs, etc
 - Significant changes made, development continues
 - Changes include better definition of allowable process while leaving room for creativity, innovation and agencies to design activities for their communities
 - A16 Workgroup has met regularly for last 2 years
-

Assurance 16

A16 development changes include:

- Better definition of allowable activities
 - Focus on assisting households for accessibility
 - Focused outreach
 - Using normally unspent portion of funds for agencies to develop innovative proactive projects (Proactive)
-

Assurance 16

Great improvements as a result of this collaborative development

- More use of funds
- Innovated projects with more impact on HHDs
- Improved accountability

A16 is on a multi-year development process and will ultimately practice continuous improvement

EAP/WX Transfer

- Typically 5% (FFY16 10%) of EAP funds
- EAPWX funds are used to provide “low-cost residential” weatherize activities
- Funds are aligned with DOE rules

EAP/WX Coordination

EAP & WAP coordination is needed for effective and efficient operation of both programs

- Both are administered by Commerce
 - Many EAP SPs also provide WAP services
 - Both programs use the centralized eHEAT database
 - Same application for both EAP & WAP
 - EAP processes the applications & determines eligibility
 - Same HHDs are eligible for both (generally)
 - EAP & WAP SP coordination & communication is key to ensure timely, appropriate benefits & services to HHDs
 - Local SPs have a written EAP-WAP Coordination Agreement to ensure effective communication and a joint understanding of EAP and WAP policies and procedures
-

Ongoing EAP/WAP Coordination

- ERR referrals are made to EAPWX when ERR is not available
 - EAP refers income eligible households to WAP
 - State offices are meeting to discuss ways to align ERR and WAP procurement policies, if possible or necessary
 - EAP is including WAP staff input at EAP JADs for relevant topics (e.g. EC motors, furnace efficiency choices, procurement). This helps to have shared understanding and to be in alignment
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Q & A



Weatherization Assistance Program

Michelle Gransee

05.19.2016

Weatherization Assistance Program

Energy Conservation Services Act of 1979

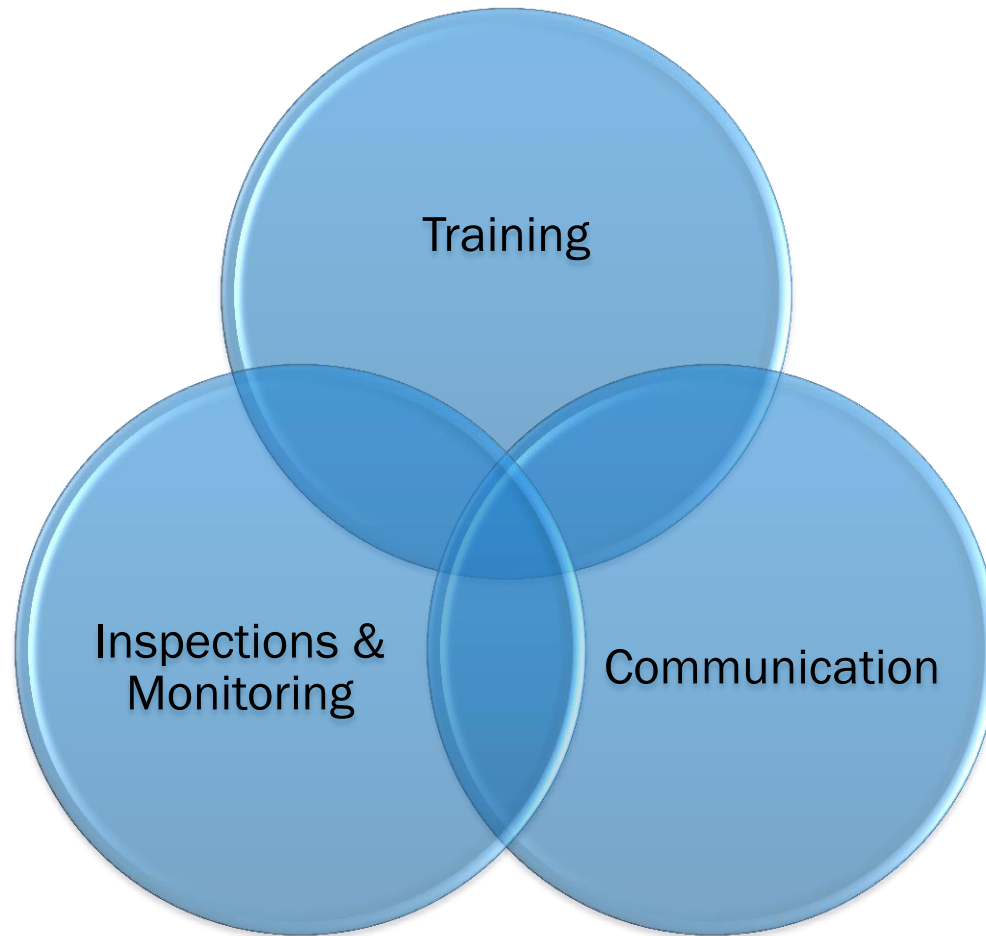
Established to:

- Serve low-income and near-poor individuals and families.
- Special focus on elderly or handicapped.
- Reducing energy consumption and the impact of high energy costs.

Weatherization Services

- Air Sealing
- Insulation
- Heating system repair / replacement
- Lighting upgrades
- Ventilation
- Health & Safety items

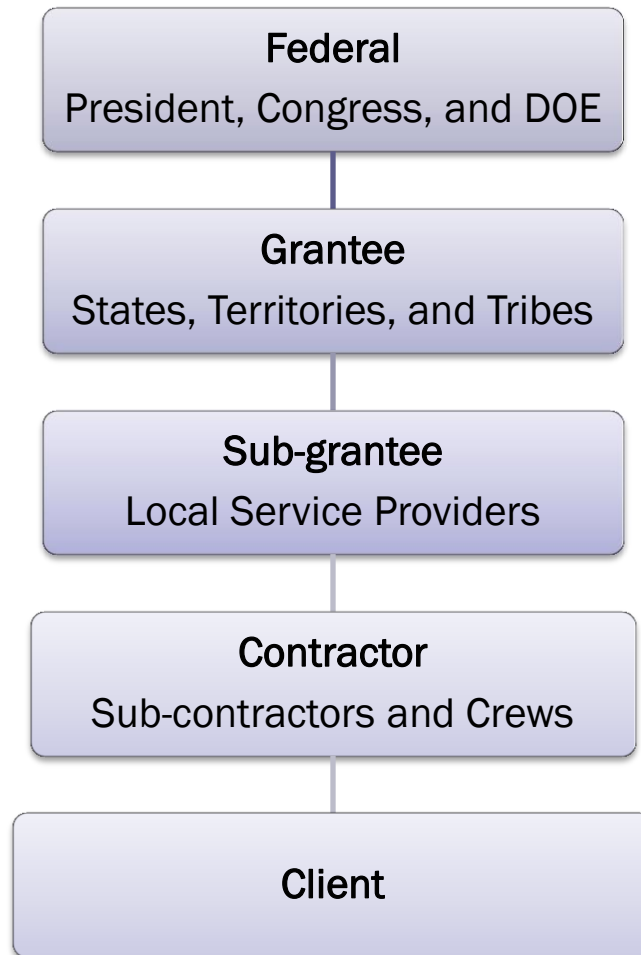
MN State WAP Responsibilities



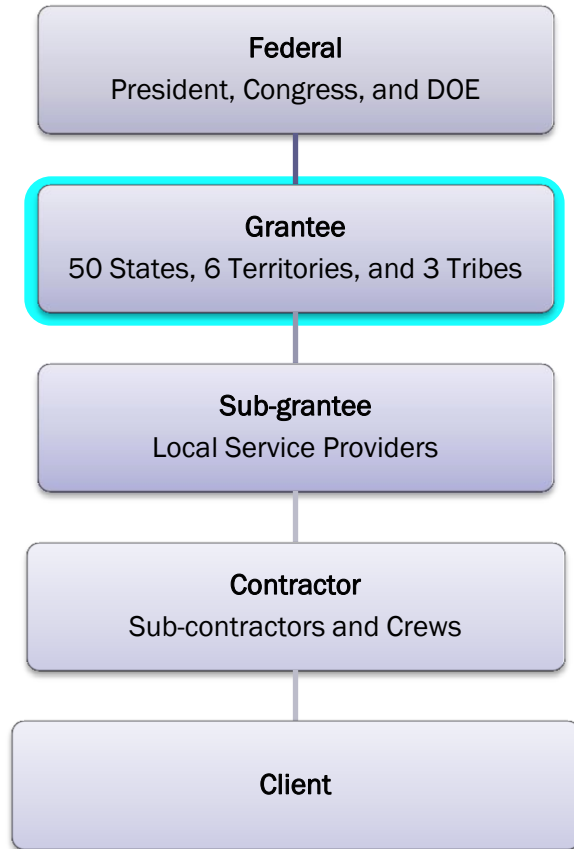
MN State WAP Team

- SEO Manager, Clean Energy & Programs - Michelle
- WAP Program Coordinator – Jake
- WAP Program Administrator - Jodi
- Monitors - Dean, Ivan, Bill, Brian
- Training & Technical Asst - Ben
- Fiscal – Jana; Data – Steve; Contracts - Kari

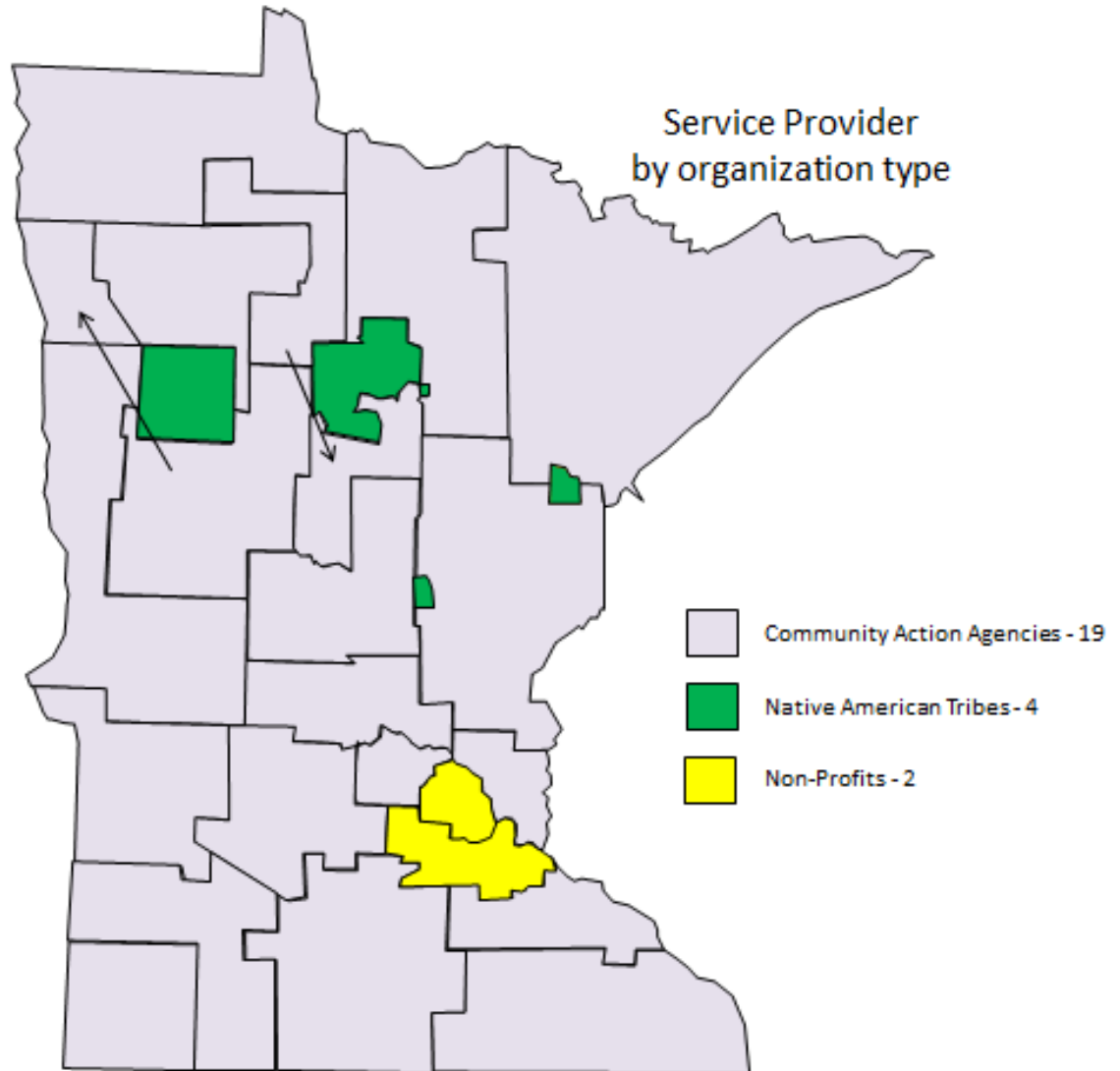
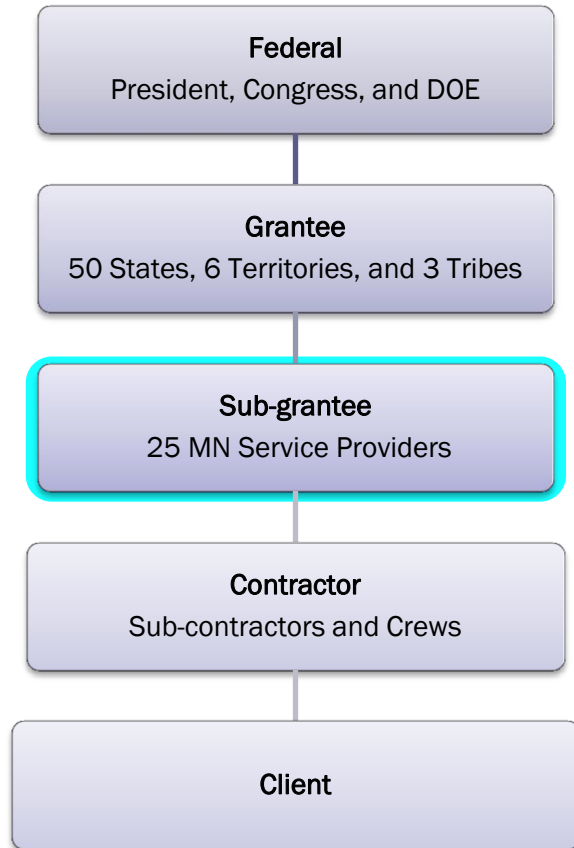
WAP Structure: Flow of Funds



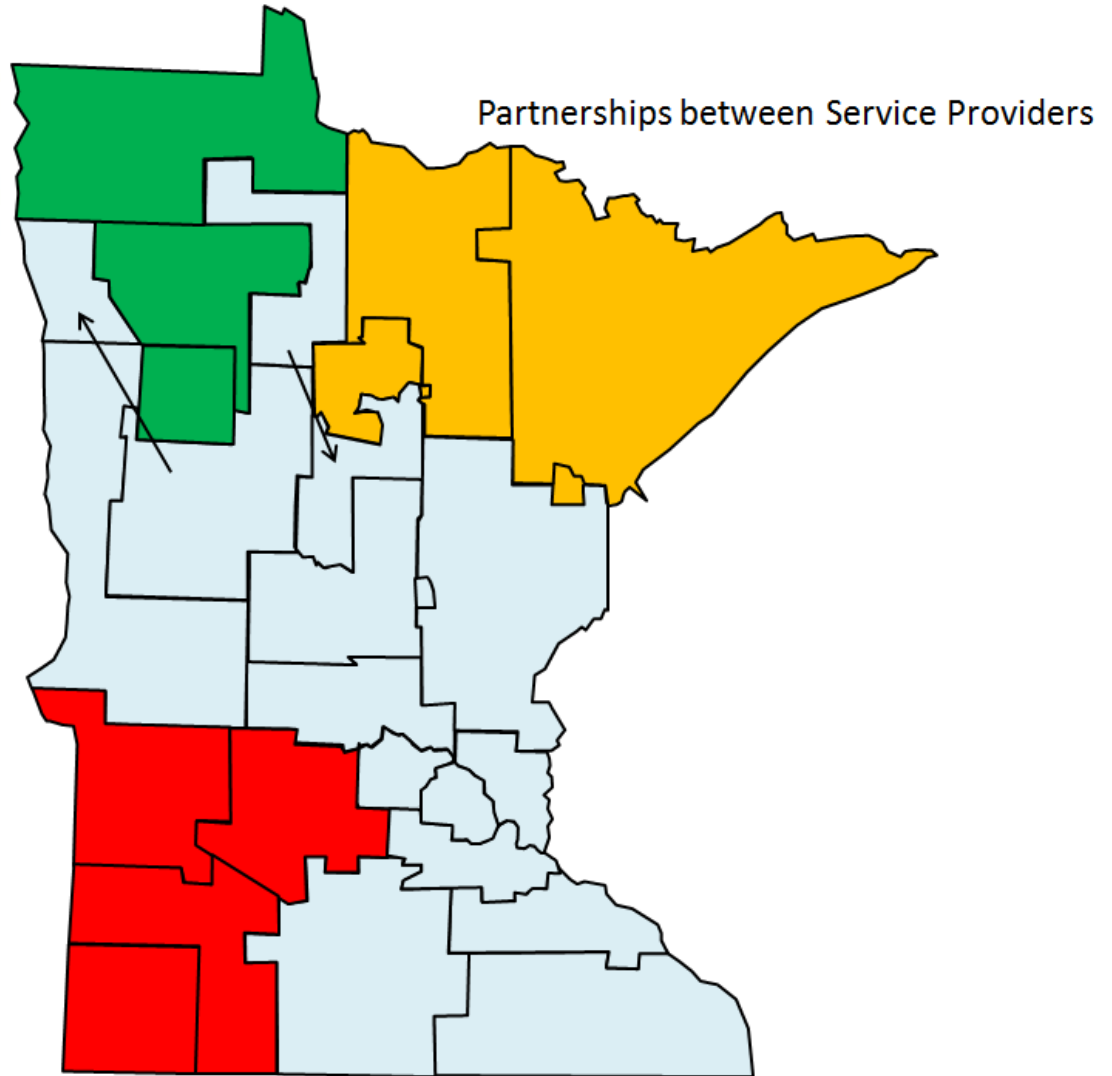
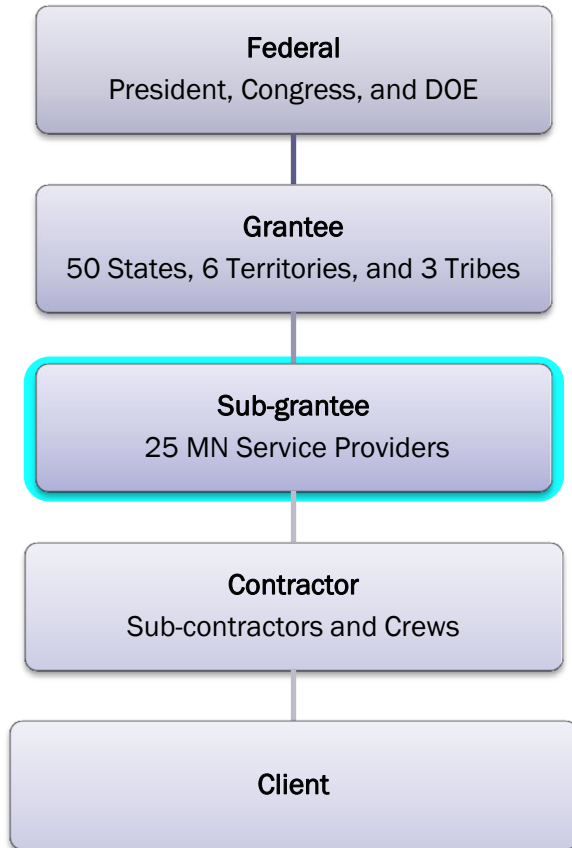
WAP Structure



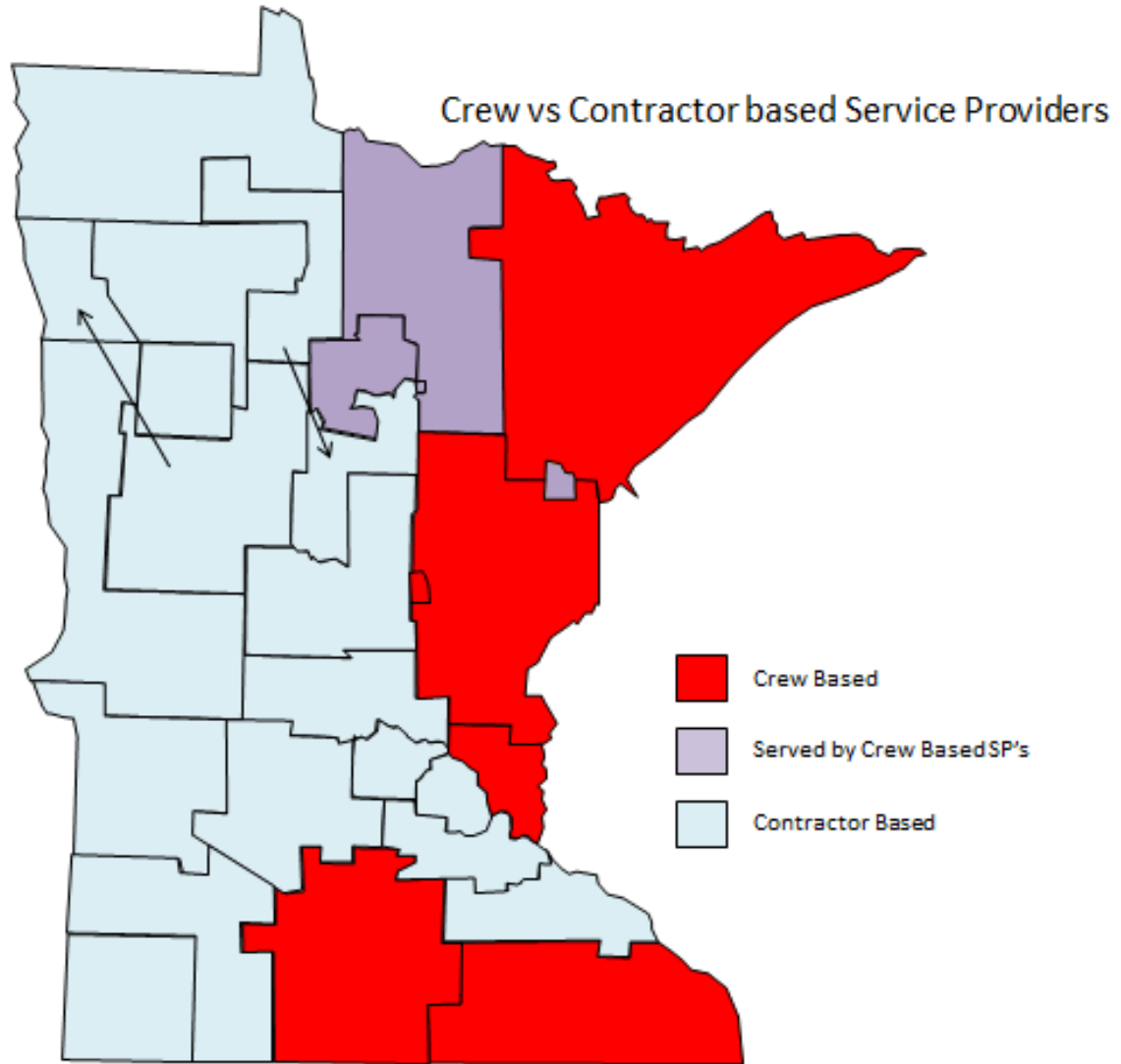
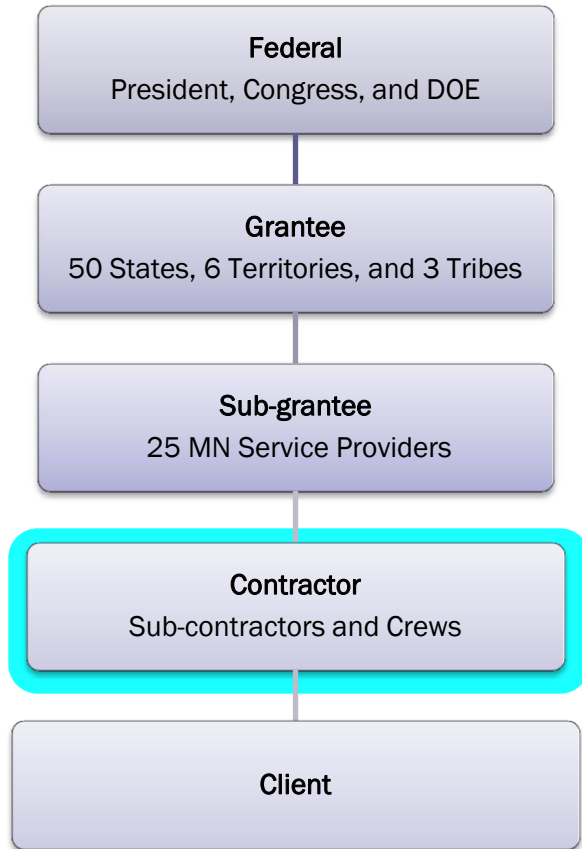
WAP Structure



WAP Structure: Collaboration



WAP Structure: Crews/Contractors



WAP Structure

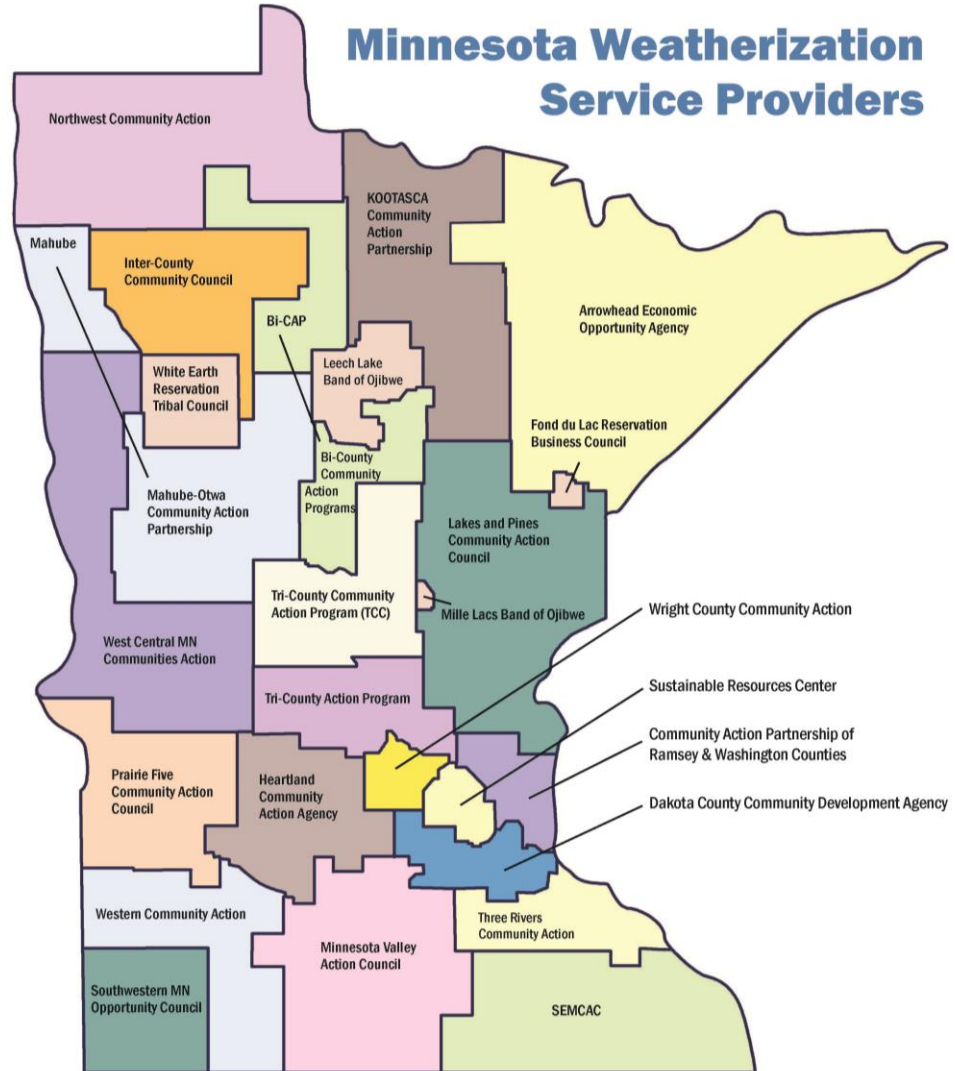
Federal
President, Congress, and DOE

Grantee
50 States, 5 Territories, and 3 Tribes

Sub-grantee
25 MN Service Providers

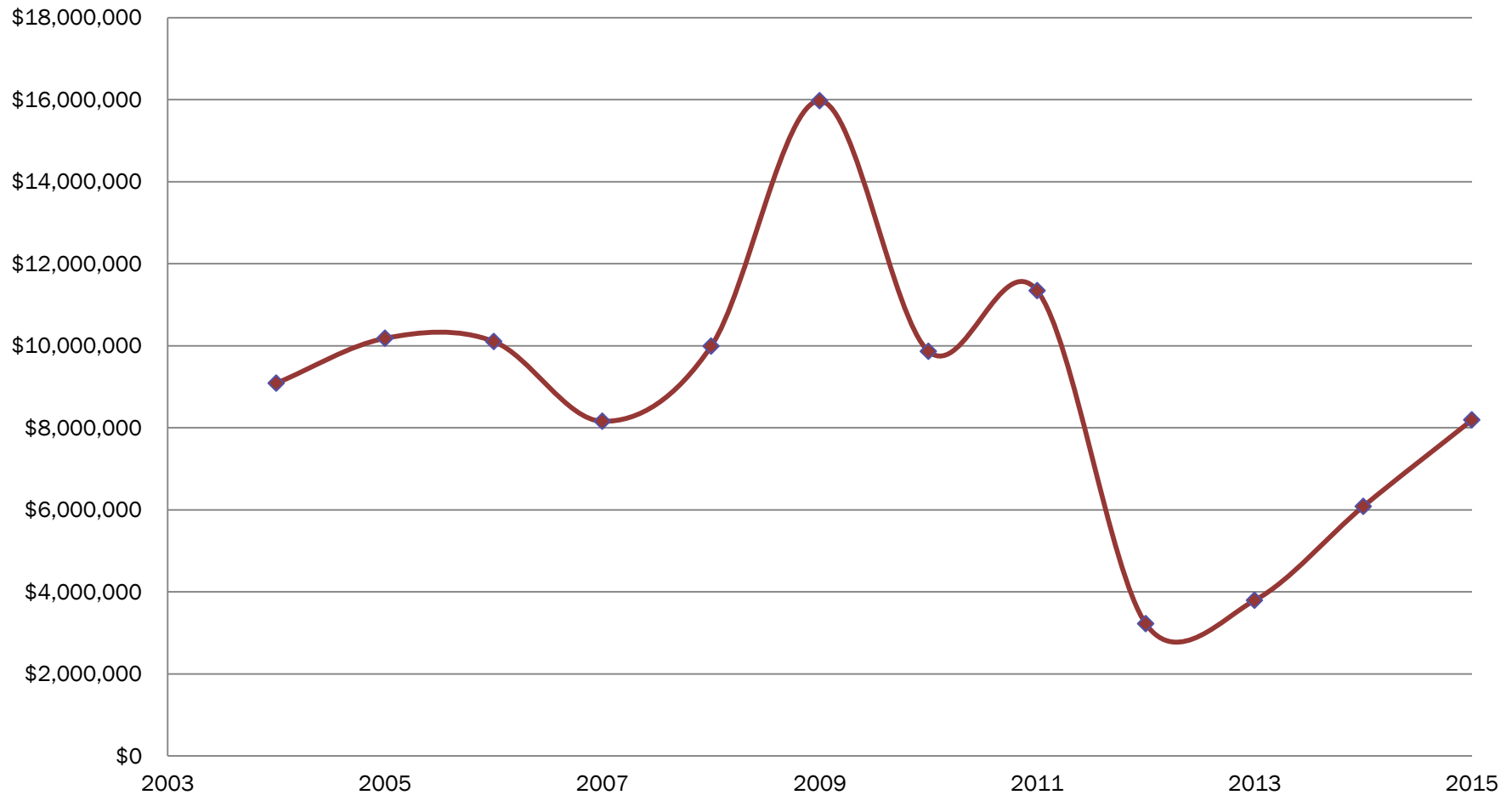
Contractor
Sub-contractors and Crews

Client
1683 houses served (PY14)



Funding Levels

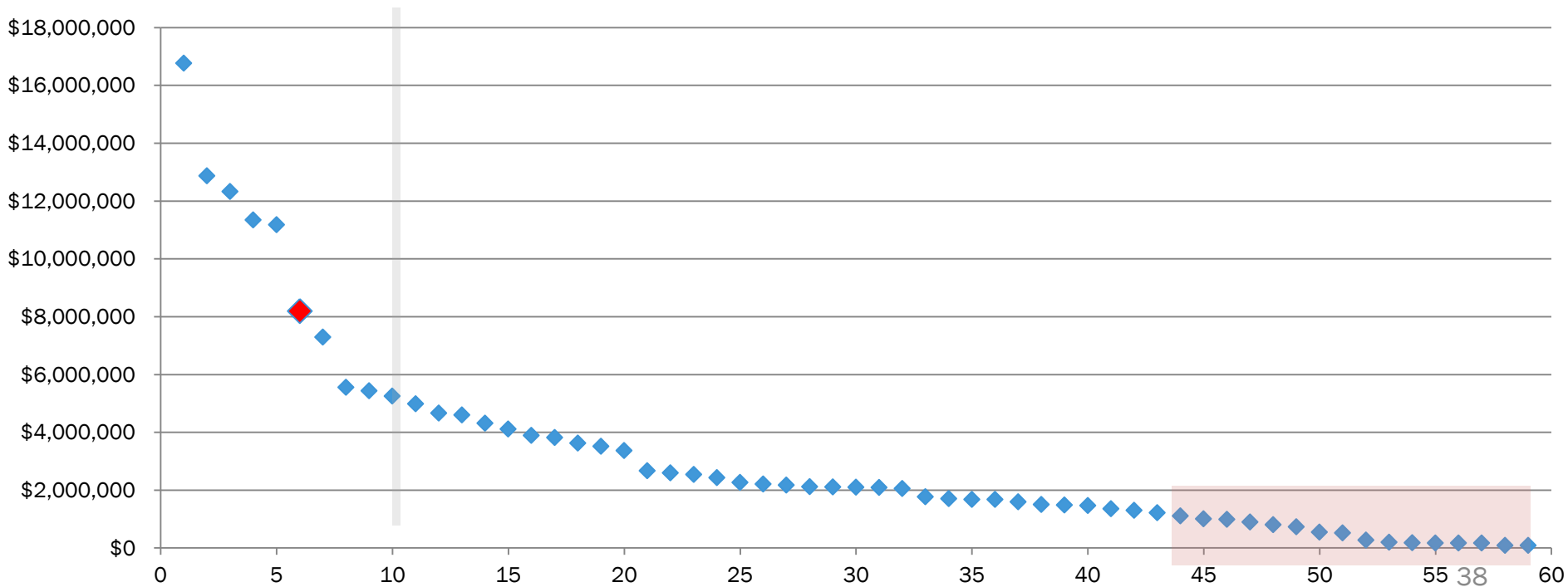
MN DOE Funding



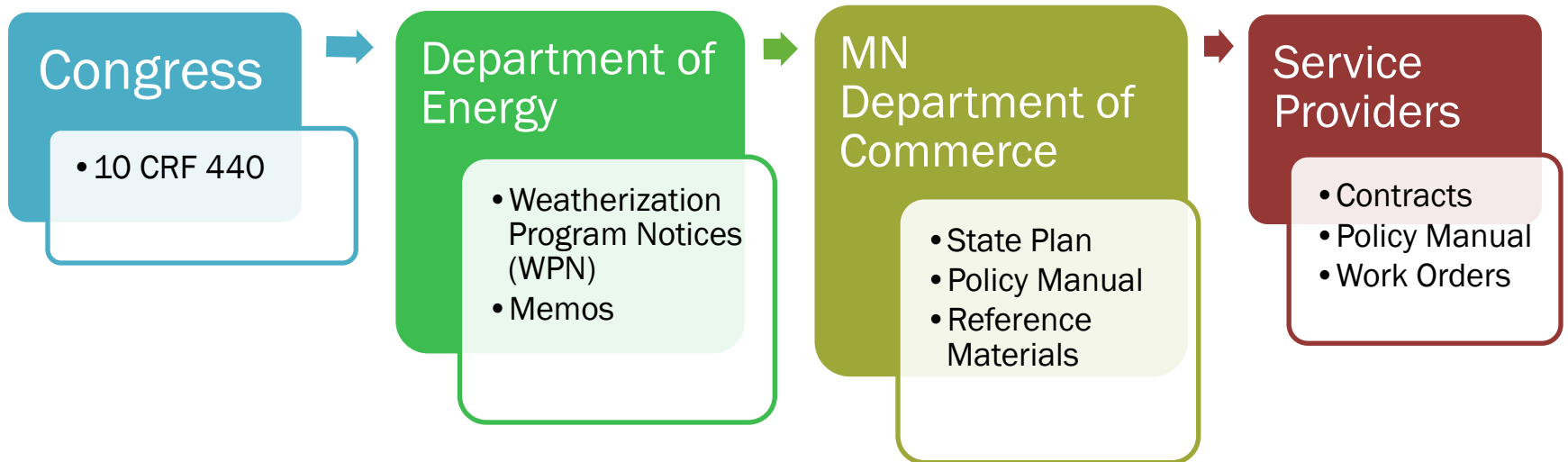
Funding Levels PY 2015

How Minnesota compared to other states:

- about half the size of New York (largest)
- larger than the bottom 16 Grantees combined



Statutory Authority



Standard Work Specifications

NREL
NATIONAL RENEWABLE ENERGY LABORATORY

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Standard Work Specifications Tool

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Standard Work Specifications for Home Energy Upgrades

Standard Work Specifications (SWS) are a major component of the Guidelines for Home Energy Professionals project and define the minimum requirements to ensure that the work performed during home energy upgrades is effective, durable, and safe. The SWS can be used as an industry guide for workers, training instructors, homeowners, and program administrators involved in the home performance industry.

Learn
how to use this tool

Read
an introduction to the Standard Work Specifications

Results (PY14)

- 1683 homes weatherized
- 544 standalones
- \$500 to \$10,000 / home
- 4684 Minnesotans Served



Photo credit: Dakota CDA

Questions?

Conservation Improvement Program Overview

Jessica Burdette

State Energy Office Manager, Efficiency & Operations

May 19, 2016

Why Energy Efficiency?

- System-wide Benefits
 - Resource Management
 - Economic Benefits
 - Ratepayer Benefits
 - Emissions Reductions
-

Efficiency as a Resource

Energy Savings Policy Goal:

“The legislature finds that energy savings are an energy resource, and that cost-effective energy savings are preferred over all other energy resources...”

Minnesota Statute §216B.2401

Amended by Article 12, Sec. 2 of HF 729 (4th)

History of the Conservation Improvement Program (CIP)

1980:
PUC directed to initiate a pilot to demonstrate the “feasibility” of investments in EE

1989: All Public utilities were required to operate conservation improvement programs. Oversight transferred from PUC, low-income requirements added.

1991:
A specific level of spending was required (1.5% electric, 0.5% gas) & munis and coops were included.

2007:
Next Generation Energy Act

1983: Utilities with revenues greater than \$50 million were required to operate at least 1 conservation program. Required “significant” investment.

1994: Prairie Island settlement required [Xcel] to spend 2.0% of their annual GOR. Programs began to be evaluated against a pre-set goal.

2010:
1.5% Savings Goal for Utilities takes Effect

Next Generation Energy Act

The greatest impact of the 2007 NGEA was the change from an annual spending requirement to an annual energy savings goal:



Utility Energy Savings Goals:

- 1.5% annual savings goal for all utilities
- Adjustable to 1% by Commissioner of Commerce
- Supply side efficiency projects up to 0.5%

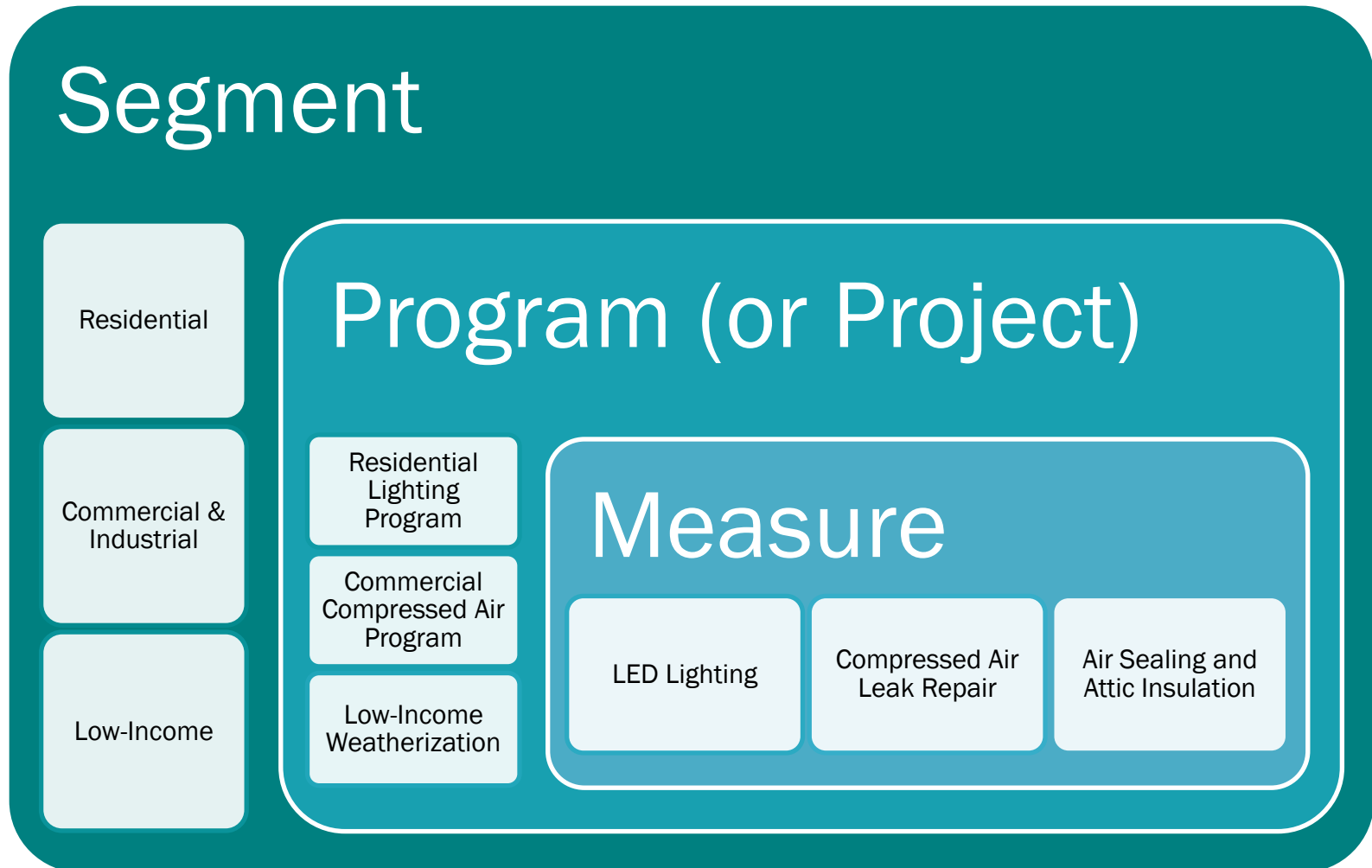
Commerce CIP Responsibilities

- Regulatory Compliance:
 - IOU CIP Triennials and Status Reports
 - Muni and Coop CIP Annual Reports and Plans
 - Utility Program Modifications
 - Policy Development
 - Evaluation, Measurement & Verification:
 - Technical Reference Manual
 - Smart Measures and Reporting Requirements
 - M&V Protocols and Custom Project Reviews
 - Technical Assistance and Outreach:
 - Stakeholder Engagement/Utility Collaboration
 - Training and Education
 - Data Analysis and Report Development
 - Conservation Applied Research and Development (CARD):
 - Annual RFP to identify technologies and strategies to maximize energy savings
 - Portfolio of approximately 60 CARD projects managed by Staff
-

Utility CIP Responsibilities

- Meet the energy savings goal through end-use efficiency programs:
 - 1.5% = Electric Utilities
 - 1% = Natural Gas Utilities
 - Meet the energy savings investment goal:
 - 2% = Xcel Energy
 - 1.5% = All other electric utilities
 - .5% = Natural Gas utilities
-

Programs – CIP Portfolio (Example)



Possible CIP Program/Projects:

1. Direct and Indirect
 2. Capital equipment improvements
 3. Operations and maintenance practices
 4. New construction and existing buildings
 5. Behavior-based change
 6. Consumer education
 7. Electric utility infrastructure efficiency
 8. Distributed generation (CHP and PV)
 9. Load management/demand response
-

Low Income CIP

- All utilities must provide low income programs:

- Electric IOUs must spend .2%
- Natural gas IOUs must spend .4%
- All munis/coops must spend .2%

(% based on 3-year average GOR from residential customers)

Low Income CIP

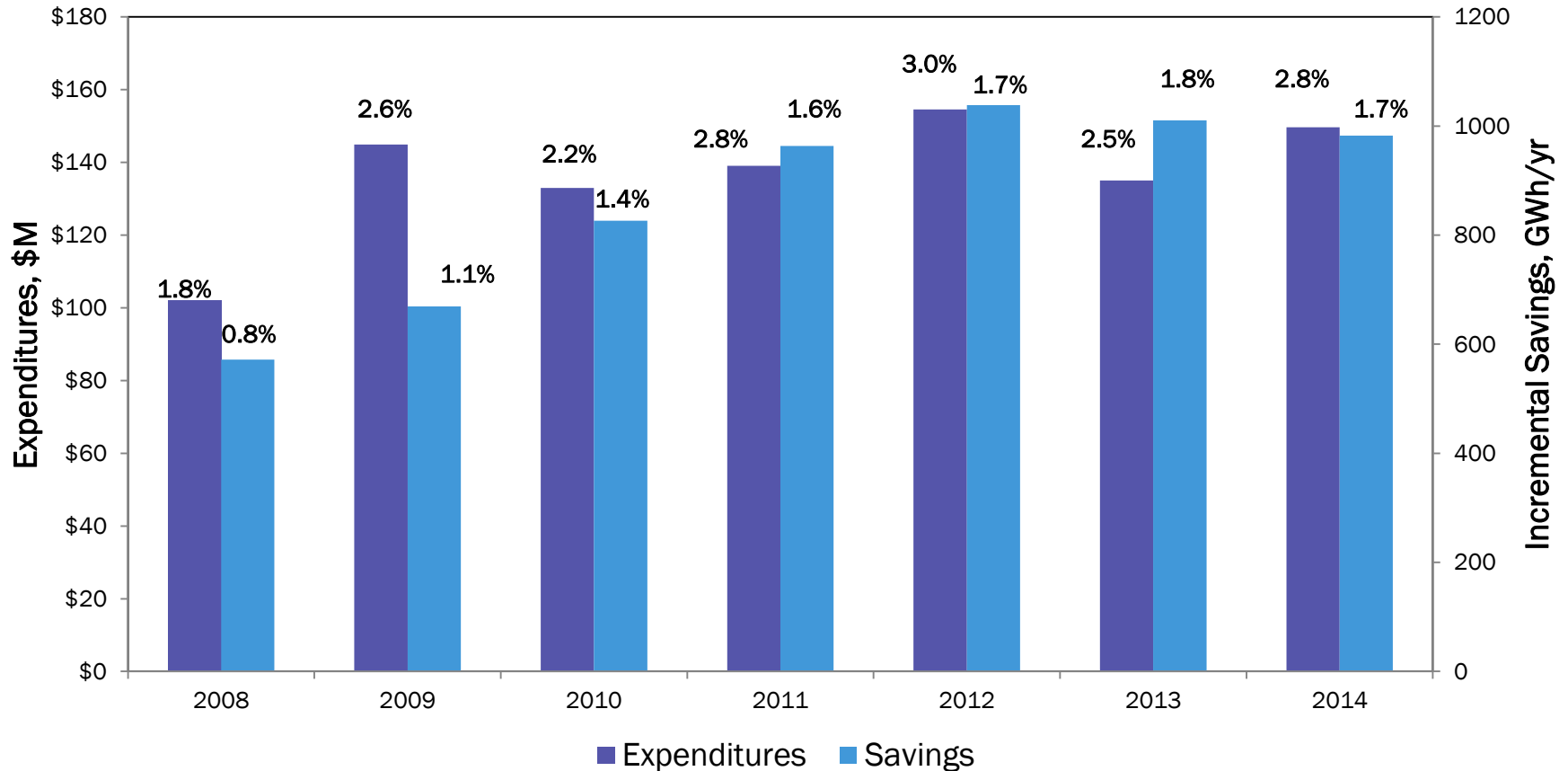
Electric Utilities (IOUs, Munis, Coops)	2014 Spending
Low Income Weatherization	\$2.3 million
Specialty Low Income	\$2.9 million
Total:	\$5.2 million

Natural Gas Utilities (IOUs and Munis)	2014 Spending
Low Income Weatherization	\$4.3 million
Specialty Low Income	\$840,000
Total:	\$5.1 million

Annual Investment Approx. = \$10 million

CIP Performance

Electric Utility - Energy Efficiency Performance

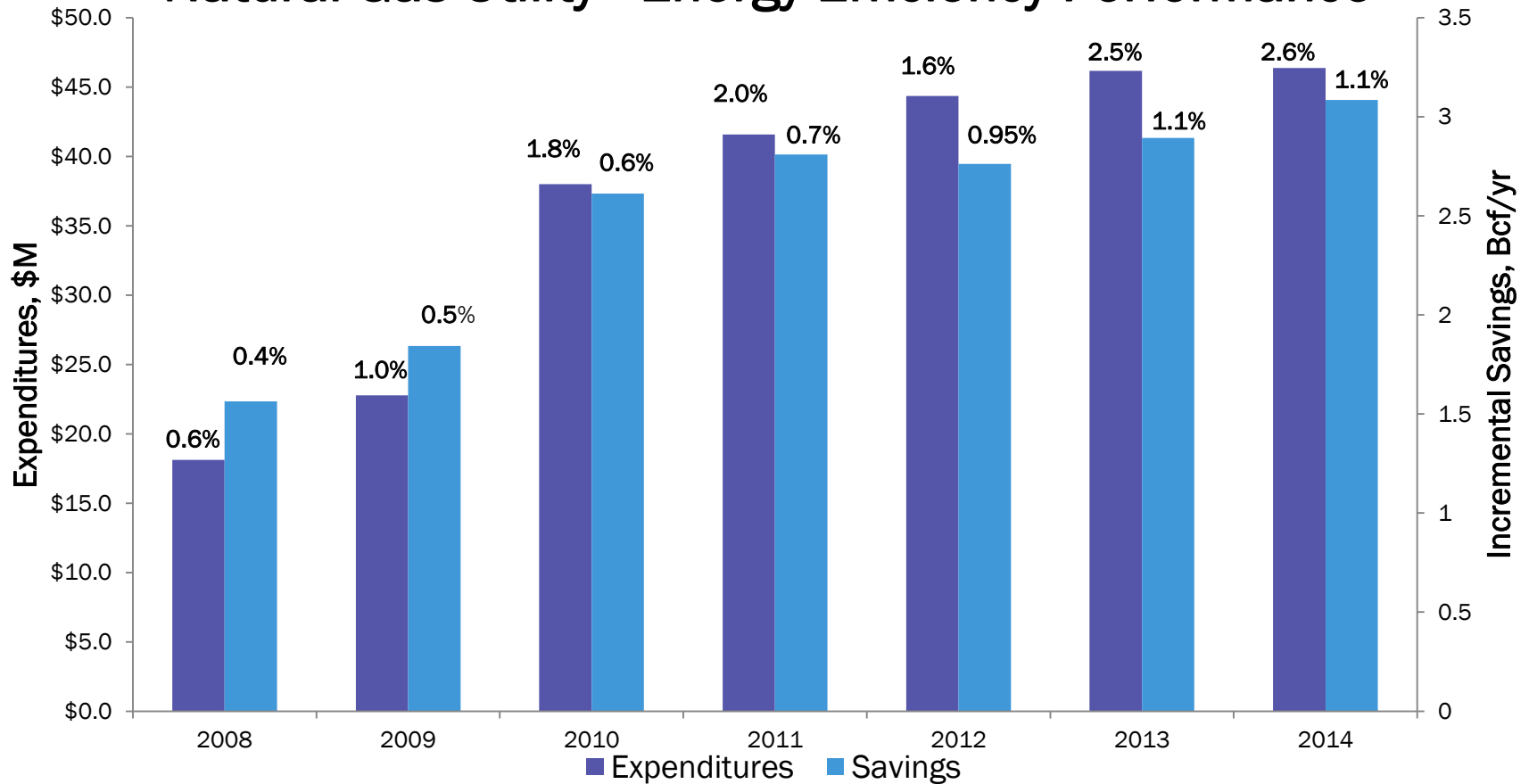


2014 Investment = \$149,687,489 (2.8% Gross Operating Revenue)

2014 Savings = 982,418,756 kWh (1.7% Electric Sales)

CIP Performance

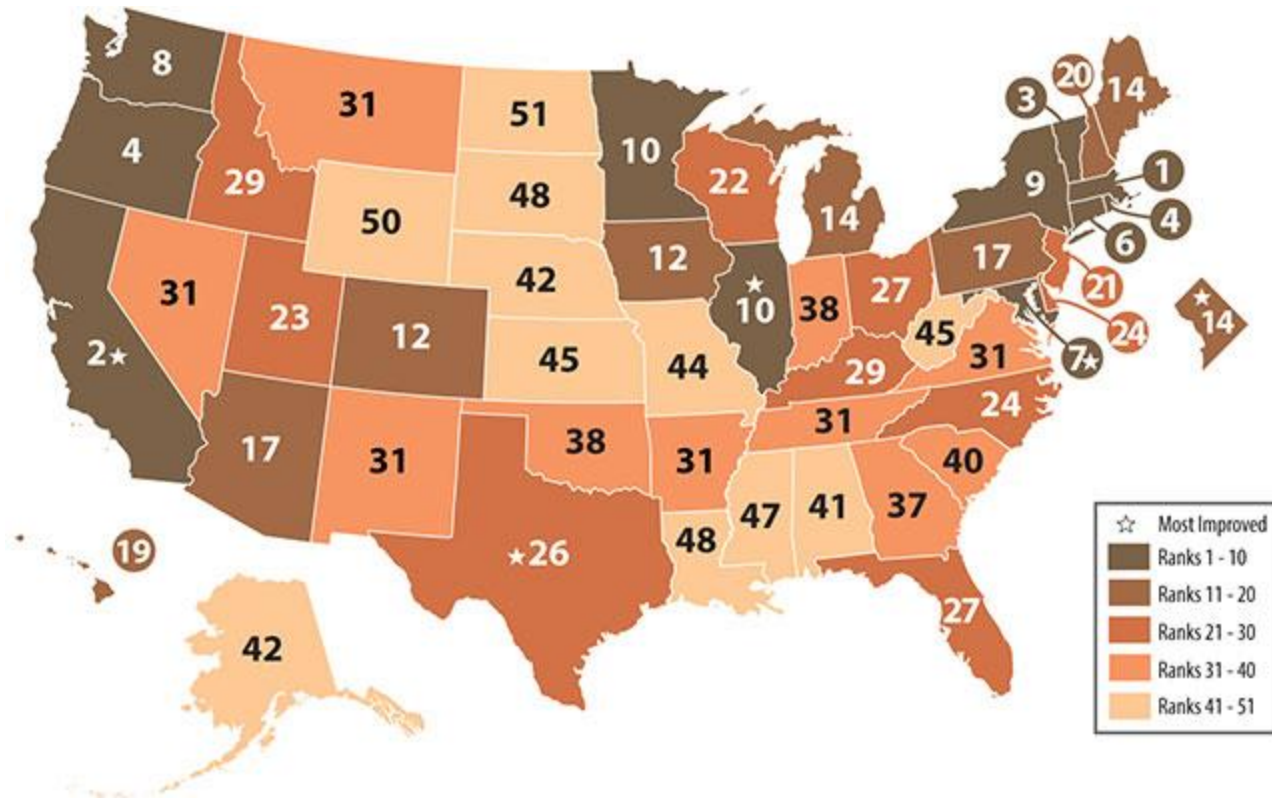
Natural Gas Utility - Energy Efficiency Performance



2014 Investment = \$46,375,047 (2.6% Gross Operating Revenues)

2014 Energy Savings = 3,085,095 (1.1% of Natural Gas Sales)

National Recognition



2015 ACEEE State Energy Efficiency Scorecard Rankings

- Minnesota ranks #10 overall
- Ranks #6 for utility demand-side management programs

CIP Challenges/Opportunities

- Challenges
 - Changing cost-effectiveness
 - Hard to reach markets
 - Sustained achievement of the annual goal
 - Opportunities
 - New technologies
 - Increased customer awareness
 - Collaboration among stakeholders
-

Thank You!

- Jessica Burdette
 - State Energy Office Manager, Efficiency & Operations
 - Email) jessica.burdette@state.mn.us
- Anthony Fryer
 - Conservation Improvement Program Coordinator
 - Email) anthony.fryer@state.mn.us
- Laura Silver
 - CIP Senior Program Administrator
 - Email) laura.silver@state.mn.us

Next Session Preview

A Coordinated Approach to Program Management

Part Two: National Best practices for Effective Programs

David Carrol